(c) The quantities of foodgrains which were damaged during the years 1999-2000, 2000-2001 and 2001-2002 were the following:

	Lakh Tonnes
1999-2000	2.13
2000-2001	0.70
2001-2002 (upto 28.2.2002)	1.85

Decontrol of Sugar

2688. SHRI K. RAHMAN KHAN: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that Government are planning to decontrol Sugar from PDS;

(b) if so, whether Government have conducted any study to know whether the Sugar Industry and Sugarcane growers would be benefited by this move; and

(c) whether Government are aware that in Karnataka thousands of tonnes of Sugar has been stored in godowns for sale; if so, in what way Union Government propose to help the State in clearing the stocks?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREENIVASA PRASAD): (a) and (b) The Central Government has decided to effect complete decontrol of sugar during 2002-03 financial year after the operationalisation of future/forward trading in sugar. The Government has taken the said decision in the light of the recommendations of the High Powered Committee headed by Shri B.B. Mahajan, the retired Food Secretary. The Committee studied the entire gamut of sugar economy. The proposed decontrol of sugar is intended to remove restrictions on sale of sugar.

(c) The Government is aware of the high level of sugar stocks held by sugar factories in the country including the factories located in the State of Karnataka. As intimated by the State Government of Karnataka, about 9.08 lakh MTs of sugar is lying in the various

godowns of Karnataka, worth about Rs. 1174 crores as on 31.10.2001. In order to reduce sugar stocks, the Government is, *inter alia*, encouraging the export of sugar. The following measures have been taken in this regard:—

(i) Levy exemption has been given on the quantity of sugar exported.

(ii) The quantity of sugar exported is treated as advance free sale release and is adjusted after a period of 18 months from the date of release.

(iii) Duty Entitlement Pass Book (DEPB) at the rate of 5% value of f.o.b. price of sugar was allowed, which has now been reduced to 4%.

(iv) Quantitative ceiling on export of sugar has been removed.

(v) Requirement of Registration-cum-Allocation Certificate from the Agricultural and Processed Food Export Development Authority (APEDA) has been dispensed with effect from 1.4.2001.

(vi) State Governments of the major sugar producing States have been requested to give remission in purchase tax on sugarcane on the quantity of sugar exported.

The sugar factories have been provided temporary relief by way of permitting them to sell equivalent quantity of unlifted levy sugar stocks as free sale sugar in the open market. During the sugar season 2000-01, out of 1,62,631 MTs of unlifted levy sugar stocks so far permitted to be sold as free sale sugar, the share of sugar factories in Karnataka works out to be 48,803.6 MTs.

Advance releases of free sale sugar have been made, subject to adjustment and 5% levy obligations, to needy sugar mills to enable them to clear cane price dues of the farmers and to reduce their stock. Besides, the factories have been allowed to sell upto 10% of their quarterly quota over and above their normal quota to clear their cane price dues.